

Cash Contributions to Groups Urged by Egan

JUNEAU—Governor William A. Egan urged this week that the state's cash contributions to the Alaska Native claims settlement be distributed directly to native groups as they are organized and be treated as advances

against the state's ultimate contribution.

Otherwise, Egan said in a letter to Interior Secretary Rogers Morton. "These Alaskan funds which are rightfully for the use of the Alaska Natives will sit in the federal treasury for approximately two years, with the federal government the beneficiary of the accumulated interest."

The native settlement act approved by Congress requires the state to deposit in the Alaska Native fund of the U.S. Treasury the state's share of settlement monies—a percentage of royalties received on mineral production—within 60 days after they are received by the state.

But the act provides no payments from the fund to Native corporations until the end of a two-year period required for enrollment of Natives.

(Continued on Page 6)

Cash . . .

(Continued from page 1)

In his letter to Morton, the Governor urged that administrative action be taken to correct the problem.

The settlement act, he told Morton, "appears to require that our funds, once deposited into the Alaska Native fund, there sit awaiting the distant disbursement day.

"Once in the treasury fund,

our payments do not appear to accrue any interests to the benefit of the Native people, nor is it available to the regional corporations for their use. If administered literally, it is the equivalent of a federal tax on the state's contributions to the Native beneficiaries.

Egan said the need of the regional corporations for organizational and planning funds "is very real, and since the state will shortly have appropriated these monies for their use, it strikes me that a practical solution could be found in allowing the state to disburse these funds in the interim situation, as an advance, to the regional and possibly village corporations."